SENATE RECORD VOTE ANALYSIS

104th Congress — March 28, 1996, 2:26 p.m.

2nd Session — **Vote No. 57** — Page S-3100 Temp. Record

FARM BILL CONFERENCE/Passage

SUBJECT: **Conference report to accompany the Federal Agricultural Improvement Reform Act of 1996 . . . H.R. 2854. Agreeing to the report.**

ACTION: CONFERENCE REPORT AGREED TO, 74-26

SYNOPSIS: The conference report to accompany H.R. 2854, the Federal Agricultural Improvement and Reform (FAIR) Act of 1996, will make sweeping changes to the Nation's farm policies. Details are provided below.

Title I, Agricultural Market Transition Program:

- Production Flexibility Contracts. Eligible producers (those producers who participated in the wheat, feed grains, cotton, or rice programs in any 1 year of the past 5 years) will be allowed to enter into 7-year production flexibility contracts. Program participants will receive set annual payments, which will decline each year. The maximum payment will be $40,000. Payments will be made on 85 percent of a farm's contract acreage. Except in limited cases, fruits and vegetables (other than lentils, mung beans, and dry peas) will not be grown on contract acreage. Restrictions will not be placed on haying and grazing. A 50-percent advance payment will be available to producers within 30 days of signup with the remainder of the 1996 payment due by September 30, 1996. Payments in subsequent years will be made on September 30, with producers having the option of receiving half of their annual payments in advance, either on December 15 or January 15.
- "Non-recourse marketing assistance loans" (loans that may be repaid with the crops that were put up as collateral). Maximum loan rates will be set. Minimum loan rates will be set for some crops, including for upland cotton and soybeans. The loan rate for rice will be $6.50 per hundredweight. The Secretary of Agriculture will retain authority to make downward adjustments to wheat, feed grains, and oilseeds loan rates based on specified stocks-to-use criteria. Wheat and feed grain loans will not be reduced in outlying areas by more than 5 percent below the national average. The 8-month cotton loan extension will be eliminated.
- Peanuts. The program will be extended through 2002, with a quota support rate of $610/ton. The price support escalator will be eliminated. The national poundage quota floor and undermarketing provisions will be eliminated. Limited authority to sell, lease, and transfer peanut quotas across county lines will be given. These provisions will save $412 million from the peanut program. For

(See other side)

YEAS (74)			NAYS (26)		NOT VOTING (0)	
Republicans (52 or 98%)		Democrats (22 or 47%)	Republicans (1 or 2%)	Democrats (25 or 53%)	Republicans (0)	Democrats (0)
Abraham	Helms	Baucus	McCain	Akaka		
Ashcroft	Hutchison	Biden		Bryan		
Bennett	Inhofe	Bingaman		Bumpers		
Bond	Jeffords	Boxer		Byrd		
Brown	Kassebaum	Bradley		Conrad		
Burns	Kempthorne	Breaux		Daschle		
Campbell	Kyl	Feinstein		Dodd		
Chafee	Lott	Ford		Dorgan		
Coats	Lugar	Graham		Exon		
Cochran	Mack	Heflin		Feingold		
Cohen	McConnell	Inouye		Glenn		
Coverdell	Murkowski	Johnston		Harkin		
Craig	Nickles	Leahy		Hollings		
D'Amato	Pressler	Lieberman		Kennedy		
DeWine	Roth	Moseley-Braun		Kerrey		
Dole	Santorum	Moynihan		Kerry		
Domenici	Shelby	Murray		Kohl		
Faircloth	Simpson	Nunn		Lautenberg		
Frist	Smith	Pell		Levin		
Gorton	Snowe	Robb		Mikulski		
Gramm	Specter	Simon		Pryor		
Grams	Stevens	Wyden		Reid		
Grassley	Thomas			Rockefeller		
Gregg	Thompson			Sarbanes		
Hatch	Thurmond			Wellstone		
Hatfield	Warner					

EXPLANATION OF ABSENCE:
1—Official Buisiness
2—Necessarily Absent
3—Illness
4—Other

SYMBOLS:
AY—Announced Yea
AN—Announced Nay
PY—Paired Yea
PN—Paired Nay

Compiled and written by the staff of the Republican Policy Committee—Don Nickles, Chairman

related debate, see vote No. 13.

- Sugar. Marketing allotments will be terminated. A 1-cent penalty per pound will be imposed on forfeited sugar. Nonrecourse loans will only be given if imports exceed 1.5 million short tons. Loan rates will be held at their 1995 levels. The deficit reduction assessment will be increased. For related debate, see vote No. 16.
- Dairy. The budget assessment on dairy producers will be eliminated and the support price on butter, powder, and cheese will be phased down over 4 years from $10.35/cwt in 1996 to $9.90 in 1999. At the end of 1999, price support authority will be eliminated and a recourse loan program will be implemented at the 1999 support level. Milk marketing orders will be consolidated from 33 to no more than 14 and no less than 10 in 3 years. The Secretary of Agriculture will have authority to grant temporary approval to the Northeast Dairy Compact. Approval, if granted, will terminate upon the completion of the consolidation of milk marketing orders as required by this Act. For related debate, see vote No. 14. The Secretary of Agriculture will use the Dairy Export Incentive Program (DEIP) at the maximum volume and funding levels permitted under the General Agreement on Tariffs and Trade (GATT).
- Miscellaneous. The rates charged on Commodity Credit Corporation loans will be increased by 100 basis points (1 percent). The 1949 Agriculture Act will be retained as permanent law. An 11-member commission will be established to monitor the agricultural economy during the transition period.

Title II, Trade:

- Market Promotion Program. The program will be capped at $90 million per year; participation will be limited to small businesses, farmer-owned cooperatives, and agricultural groups. Participation by foreign-owned companies will be barred. The name of the program will be changed to the "Market Access Program".
- Export Enhancement Program. Expenditures will be capped. Authority will be given to subsidize the export of intermediate value-added crops.
- P.L. 480 and related programs. The Food for Peace program will be reauthorized, with private sector involvement permitted for the first time. A 4-million metric ton cap will be placed on the Food Security Commodity Reserve (formerly the Food Security Wheat Reserve).
- Miscellaneous. Several other agricultural trade and export programs will be reauthorized, with emphasis on high value and value-added products. Producers will be given additional protection against the economic effects of agricultural embargoes.

Title III, Conservation:

- Conservation Reserve Program. New entrants into the conservation reserve program will be permitted. Expiring contracts may be extended. Participants will be allowed to terminate contracts except on those lands that are deemed to be of high environmental value. Funds saved due to the termination of contracts may be used to enroll new lands. The maximum acreage will be 36.4 million acres.
- Environmental Quality Incentive Program (EQIP). The EQIP will be established, which will combine several smaller programs that give assistance to farmers and ranchers in improving the environment (see vote No. 15). $1.2 billion will be provided over seven years to assist crop and livestock producers with environmental and conservation improvements. Assistance to individual operations will be capped at $10,000 per year for a maximum of 5 years. Large operators, as defined by the Secretary, will be ineligible for assistance.
- The EQIP, the conservation reserve program, and the wetlands program will be placed under the Environmental Conservation Acreage Reserve Program (ACARP).
- Wetlands Reserve Program. Producers will be allowed to seek permanent wetlands easements. Modifications will be made to encourage the use of temporary easements and cost-share restorations. Maximum enrollment will not exceed 975,000 acres.
- Miscellaneous. A limited "conservation farm option" will be offered. The Natural Resources Conservation Service will be designated the lead Federal agency in wetlands delineation and regulation on grazing lands. A Flood Risk Reduction Program will be enacted to provide farmers incentives to take out of production frequently flooded farmlands.

Title IV, Nutrition:

- Food welfare programs. The Food Stamp Program will be reauthorized for 2 years. Other nutrition programs will be reauthorized for 7 years.

Other titles:

- Crop insurance. The mandatory linkage of catastrophic crop insurance and eligibility for benefits from commodity programs will be severed, but producers will be required to waive all Federal disaster assistance if they opt not to purchase insurance. Dual delivery of crop insurance will be eliminated in those States that have adequate private crop insurance delivery. Eligibility to purchase crop insurance will no longer be linked to conservation compliance or "swampbuster" compliance for those producers who do not participate in farm programs.
- Everglades. $200 million will be authorized to purchase land in the Florida Everglades for the purpose of environmental restoration. An additional $100 million in Federal support will be financed through the sale or exchange of other federally held land in Florida.
- Water rights. An 18-month moratorium will be placed on the Forest Service conditioning the renewal of a permit to transfer

water from a reservoir across Federal lands to a community on that community giving up part of its water supply (the Forest Service has tried to force Boulder, Colorado, and other cities to give up one-third of their water in return for renewing their permits to move that water across Federal lands).

- Farm lending reforms. Authority to make loans for a variety of non-agricultural purposes, such as for recreational facilities, will be repealed. Collection agencies may be used to collect delinquent loans. A portion of loan funds will be reserved for beginning farmers.
- Agriculture research. Federal agricultural research, extension, and education programs will be reauthorized for 2 years. Additional research funds will be made available through the Fund for Rural America.
- Telemedicine and distance learning. $100 million annually will be authorized for telemedicine and distance learning programs.

Those favoring passage contended:

The farm bill that we are about to pass will make the most sweeping changes in agricultural policy since the days of the New Deal. These changes will begin a new era in which markets rather than the Government will dominate farm decisions. H.R. 2854 will give farmers more freedom to plant crops without Government constraint than they have had in decades. It will turn farm programs from uncontrollable entitlements into a system of fixed and declining income-support payments. From now on the Federal Government will stop trying to control how much food, feed, and fiber our Nation produces. Instead, it will trust the market.

Farmers will not be left unprotected in the world marketplace. New protections will be enacted against export embargoes, ensuring that the United States will be a reliable supplier of agricultural products. Export credit programs will also be strengthened, with a new emphasis on high-value added products (such products now constitute more than half of our overseas sales).

Neither will the environment be neglected. This bill will offer new incentives to manage natural resources wisely. The Environmental Quality Incentive Program will share the cost of measures that enhance water quality and control pollution. The Conservation Reserve Program will be renewed and extended through the year 2002. The focus of conservation programs will be to work in a cooperative and flexible process to preserve and protect natural resources.

This conference report was developed in a bipartisan spirit, and contains compromise language on many matters. On the Food Stamp Program, for example, most Republicans wanted to enact reforms, and most Democrats wanted to pass a 7-year extension without any reforms. The compromise was to enact a 2-year reauthorization. On the Northeast Dairy Compact, which is a controversy that crosses party lines, the compromise solution was to give the Administration the authority to grant a temporary authorization that would last at most for 3 years. Compromises are also found in the main section of the bill, which is the ending of the current Federal control over so-called program crops in favor of a market-oriented farm program. For opponents of this section, the main concession that conferees made was to retain the 1949 farm law. That archaic law will become effective in 2002 unless further legislation is enacted. Opponents of this section insisted on retaining the 1949 law because they feared that without its retention no further legislation would be enacted in 2002, and farmers would be totally free of Federal controls and subsidies.

Our colleagues greatly fear that result. They do not have confidence in America's farmers to survive without Federal mandates and subsidies. They are greatly bothered by this bill's removal of the voluminous rules on which program crop participants may plant, how much acreage they may plant, and when they may plant. They are afraid that without Federal laws tightly controlling the market and the amount paid to farmers the market will not be able to operate properly, and farmers will go broke.

We emphatically disagree. America's farmers are the best in the world and will reach new hights of productivity and profits once Federal shackles are removed. Under this bill, farmers will no longer be paid to idle productive land because the Federal Government has decided only a certain amount of food should be produced in a year. The markets, not the Government, will control farmers' decisions. This change is long overdue, and we are pleased to give this bill our enthusiastic support.

While favoring passage, some Senators expressed the following reservations:

Argument 1:

This bill is good but it could have been a lot better. We are especially disappointed that it will fail to enact adequate reforms of the sugar and peanut programs. We are also upset that it will allow the Administration to authorize temporarily the Northeast Dairy Compact, which we believe is not only unwise, but also unconstitutional. Overall, though, we are pleased that this bill will move our farm policy toward the free market, and we will therefore vote in favor of passage:

Argument 2:

The good points and bad points of this bill are about equal. We favor the conservation provisions, we believe good compromises were reached on peanuts and sugar, and we are thankful that permanent law will not be repealed. On the other hand, the new system of providing fixed payments for program crops regardless of need will destroy public support for farm subsidies. The deciding factor for us is that a bill must be passed now. Farmers are already planting crops for this year. They need to know as soon as possible what Federal rules will apply, and what support will be given, for their crops. We therefore support passage.

Those opposing passage contended:

This conference report will replace the current farm program system, which has worked well for decades to provide Americans the most abundant and cheap food supply in the world, with a welfare system for farmers. Money will be given to farmers as a simple handout, no strings attached. They will not even have to plant anything to get their payments. This system of providing funding whether price supports are needed or not will lead to public outrage that will doom the passage of farm programs in the future. Farmers will then be left to the boom-and-bust cycles of the marketplace. In this capital-intensive business, small family farms will not be able to survive market downturns. Soon there will be nothing left but giant corporate farms, and the price of food will rise. We should not make this mistake. We should defeat this conference report.